

BUDGET, FINANCE & INVESTMENT COMMITTEE

January 6, 2011

5:30 P.M.

Courthouse

MINUTES:

Members Present:

Comm. Charlie Baum
Comm. Joe Frank Jernigan
Comm. Will Jordan
Comm. Robert Peay, Jr.
Comm. Steve Sandlin
Comm. Doug Shafer
Comm. Joyce Ealy, Chrm.

Others Present:

Ernest Burgess
Teb Batey
Lisa Nolen
Melissa Stinson
Robert Arnold
Joe Russell
Larry Farley

Others Present:

Tim Hooker
Jeff Sandvig
Craig Lynch
Kyle Jones
Rick Williams
Willard Romans
Al Hill

Others Present:

Gayla Jones
Elaine Short

Chairman Ealy presided and called the meeting to order at 5:30 P.M. with all members being present.

APPROVE MINUTES:

The minutes of the December 9, 2010 Budget Committee meeting were presented for approval.

Comm. Jordan moved, seconded by Comm. Sandlin to approve the minutes as presented.

The motion passed unanimously by acclamation.

INVESTMENT REPORT:

Mr. Teb Batey, Trustee, presented the monthly Investment Report for the use and information of the committee advising that the LGIP interest rate for the month was .23%. He advised that short-term rates were still very low. On the more positive side, property tax collections were ahead of last year's collections at the end of December by 7%.

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the monthly Investment Report as presented. The motion passed unanimously by acclamation.

FUND CONDITION REPORT:

Finance Director Lisa Nolen presented the monthly Fund Condition Report for the use and information of the committee advising that the Development Tax collections for the month totaled \$36,750. The year-to-date collections as of the end of December were \$431,250. This compared to the same period last year when the Development Tax collections for the month of December were \$63,750, and the year-to-date collections were \$530,250.

The Finance Director reviewed the funds' cash balances totaling \$161,006,641 with operating funds totaling \$157,671,553 and borrowed funds totaling \$3,335,088. This compared to the same period last year when the total cash balances were \$168,726,498 with operating funds being \$138,343,409 and borrowed funds being \$30,383,089.

The Finance Director advised that there were no unusual conditions to report at this time.

The Finance Director reviewed the revenue collections.

Comm. Sandlin asked about the negative cash balances in the Stewarts Creek High School project of \$71,255.35 and in the Kittrell Firefighting Training Facility project of \$551.01.

The Finance Director reminded the committee that no money had been borrowed for Stewarts Creek High School, and that cash balances on hand in other projects were being used to pay the architects fees, which had been approved.

The Finance Director advised that after she received confirmation that the Ambulance Station sign was complete, she would be requesting to transfer \$551.01 into the Kittrell Firefighting Training Facility project to cover the shortage and to close out the Ambulance Station sign project.

Comm. Peay asked about Fund 125, Development Tax Fund. Since the Development Tax is now being accounted for directly in the General Fund and the Debt Service Fund, he asked if there was an easy way for commissioners to see how much Development Tax money was not earmarked for projects.

The Finance Director agreed, and that she would provide that information in the future. She stated that the available amount that was not earmarked for any project was approximately \$3 million.

The Finance Director advised that the sales tax collections were 5.4% ahead of last year's collections for the same period of time.

The Finance Director reminded the committee that in April, 2010, the County Commission adopted a Resolution to refund several debt issues. She advised that in December a General Obligation Refunding Bond was issued saving \$5.7 million. On December 14, a second refunding was sold saving \$4.1 million. The interest rate received on the new bonds was 2.037%. The \$10 million Capital Outlay Note was refunded with a new rate interest rate of 1.65%. The original interest rate was 2.7%.

The Finance Director explained that knowing that the \$10 million Capital Outlay Note would be coming due, she had budgeted \$400,000 in the current year budget to make a principal payment. She advised with the refunding, the county would be borrowing \$9.6 million.

Following review, Comm. Jordan moved, seconded by Comm. Peay to approve the Fund Condition Report as presented. The motion passed unanimously by acclamation.

INSURANCE REPORT:

Mrs. Melissa Stinson, Insurance Director, presented the monthly Insurance Report for the use and information of the committee. She advised that the cost per employee per month for the medical, dental and vision plans was \$584.62. This compared to \$614.33 for the same period last year. When the CareHere performance was combined with the medical plan, the cost per employee per month was \$613.99 compared to \$645.20 for the same period last year. Through December, the year-to-date average cost per employee was \$685.47 compared to the year-end average for the prior year of \$718.92. The current trend was -4.7% below the prior year.

Regarding the OJI performance, the year-to-date cost total was \$469,957 compared to \$532,266 for the prior year, which represented 88% of last year's costs. Payments for the month of December totaled \$219,512, representing the highest monthly costs thus far in the year. This was attributed to the settlement of three suits. She advised that there were still 23 open workers' compensation claims.

Following review, Comm. Sandlin moved, seconded by Comm. Jernigan to approve the monthly Insurance Report as presented. The motion passed unanimously by acclamation.

Comm. Shafer asked about the GASB liability, which previously had appeared on the report.

GENERAL FUND BUDGET AMENDMENTS

SHERIFF'S DEPARTMENT:

Sheriff Robert Arnold, and Chief Deputy Joe Russell were present to request approval of the following budget amendments recognizing revenue from the sale of recycled materials to Clark Iron and Metal to be appropriated into Law Enforcement Equipment; recognizing the partial

amount received from the 2010 Byrne Justice Assistance Grant in the amount of \$16,500 to be appropriated into Law Enforcement Equipment; and recognizing the revenue received from the SCAAP Grant to be appropriated for the Repair and Maintenance of the building:

Increase Revenue:	101-44145 – Sale of Recycled Materials -	\$ 311
Increase Expend.:	101-54110-716 – Law Enforcement Equipment -	\$ 311
Increase Revenue:	101-47250 – Law Enforcement Grants -	\$16,500
Increase Expend.:	101-54110-716 – Law Enforcement Equipment -	\$16,500
Increase Revenue:	101-47990 – Other Direct Federal Revenue -	\$16,127
Increase Expend.:	101-54210-335 – Maint./Repair Building -	\$16,127

Chief Deputy Russell advised that a total of \$46,524.50 was received from the 2010 Byrne Justice Assistance Grant, and amendments for the remaining amount of the grant would be requested at a later time. He also advised that appropriating \$16,127 for the Maintenance & Repair of the building met the guidelines for the SCAAP Grant.

Following review, Comm. Shafer moved, seconded by Comm. Sandlin to approve the budget amendments for the Sheriff's Department as requested increasing Revenue Account 101-44145, Sale of Recycled Materials, by \$311 and appropriating \$311 to Account 101-54110-716, Law Enforcement Equipment; increasing Revenue Account 101-47250, Law Enforcement Grants, by \$16,500 and appropriating \$16,500 to Account 101-54110-716, Law Enforcement Equipment; and increasing Revenue Account 101-47990, Other Direct Federal Revenue, by \$16,127 and appropriating \$16,127 to Account 101-54210-335, Jail/Maintenance & Repair of Building.

The motion passed unanimously by roll call vote.

FIRE & RESCUE:

Chief Larry Farley, requested approval of the following budget transfer to provide additional funding for the Communications Account and Other Supplies and Materials. Funds were available in the Contracted Services Account due to Southeast Rutherford Fire Department merging with the County Fire Department, saving \$15,000 in payments as a contribution to the fire department:

From:	101-54320-399 – Other Contracted Services -	\$15,000
To:	101-54320-307 – Communications -	\$ 8,000
	101-54320-499 – Other Supplies/Materials -	7,000

Comm. Jordan moved, seconded by Comm. Jernigan to approve the budget transfer of \$15,000 from Account 101-54320-399, Other Contracted Services, with \$8,000 to Account 101-54320-307, Communications, and \$7,000 to Account 101-54320-499, Other Supplies/Materials.

The motion passed unanimously by roll call vote.

APPROVE ACCEPTANCE OF ASSISTANCE TO FIREFIGHTERS GRANT:

Chief Farley advised that prior to the Rutherford Volunteer Fire Department becoming a part of the County Fire & Rescue Department they had applied for an Assistance to Firefighters Grant, which is a federal grant. Chief Farley explained that he expected to receive the grant. The grant is a 95%/5% grant with the amount of the grant award being \$52,318. The grant will require a county match of \$2,615. He requested authorization for the County Mayor to accept the grant subject to it being awarded to Rutherford County and to authorize the appropriation of the county match.

Chief Farley advised that the grant would be used for 16 sets of turnout gear and rapid intervention team equipment to rescue a trapped firefighter. The equipment included hydraulic rescue tools and rope equipment.

Following review Comm. Peay moved, seconded by Comm. Jernigan to authorize the County Mayor to accept the Assistance to Firefighters Grant subject to it being awarded to Rutherford County with the grant amount being \$52,318 and the local county match being \$2,615.

The motion passed unanimously by roll call vote.

RECOMMENDATION TO PROVIDE FUNDING OF UP TO \$130,000 FOR THE CONSTRUCTION OF A FIRE STATION FOR THE FOSTERVILLE VOLUNTEER FIRE DEPARTMENT:

Chief Farley advised that \$55,000 had been appropriated during the 2010-11 budget process for the construction of a second fire station for the Fosterville Volunteer Fire Department on Midland/Fosterville Road.

Chief Farley advised that as they began to look into the project, it had been determined that the construction of a shell of a metal building would cost approximately \$150,000. He advised that Fosterville VFD had approximately \$20,000 in their bank account that would go toward the funding of the construction of the station.

Chief Farley advised that the main Fosterville VFD station was on the other side of the railroad tracks. He stated that if a train came through, and there was a fire call, they were trapped. He explained that another advantage to having a second station would be that it would reduce the ISO rating from 10 to 9 thereby lowering the homeowners insurance by approximately \$200 per year. He also advised that the fire station was in the process of testing their hoses and pumps and doing everything that was required to get another evaluation from the ISO. He stated that he was very confident that would happen, which could possibly drop them to a class 8 or 7. He stated that would result in another \$200 reduction. He stated that \$130,000 in funding for the new fire station would have a big impact on those households in the area.

Comm. Peay moved, seconded by Comm. Jernigan to approve an additional \$75,000 from the Development Tax for the construction of a fire station for the Fosterville Volunteer Fire Department on Midland/Fosterville Road.

Comm. Peay stated it would be years before all of the volunteer fire departments would be taken under the county's umbrella. He stated that there were many volunteer firefighters who were willing, able, and competent. He stated that the training had increased, and it was wonderful to see. He stated that he believed that this was money well-spent.

Chief Farley advised that the property would be signed over to the County, and the County would own the building. He stated that Fosterville would use the fire station as long as there was a Fosterville Volunteer Fire Department with a long-term lease being executed for the use of the facility.

Comm. Jordan asked if volunteer labor would be used to finish out the building.

Chief Farley explained that it was hoped that the additional funding would get the fire department into a shell of a building with a heater. As time goes on, and money is raised, the volunteers will finish the walls and build an office and restrooms. He stated another way that this would help Fosterville, was that the building would give them enough space to have fundraisers.

Following discussion, the motion to approve an additional \$75,000 from the Development Tax for the construction of a fire station for the Fosterville Volunteer Fire Department on Midland/Fosterville Road for a total project cost of up to \$130,000 passed unanimously by roll call vote.

ELECTION COMMISSION:

Finance Director Lisa Nolen requested approval of the following budget amendments for the Election Commission to provide additional funding for the Maintenance Agreements to cover a shortfall due to overage charges on the copy machines and to provide additional funding for the salary supplement for the Interim Election Administrator according to the actual paid:

From: 101-51500-307 – Communications -	\$ 1,550
To: 101-51500-334 – Maintenance Agreements -	\$ 1,550
From: 101-51500-169 – Part Time Personnel -	\$ 711
To: 101-51500-140 – Salary Supplements -	\$ 631
101-51500-204 – State Retirement -	80

Comm. Sandlin moved, seconded by Comm. Jordan to approve the budget transfers for the Election Commission as requested transferring \$1,550 from Account 101-51500-307, Communications, to Account 101-51500-334, Maintenance Agreements; and transferring \$711 from Account 101-51500-169, Part Time Personnel, with \$631 to Account 101-51500-140, Salary Supplements, and \$80 to Account 101-51500-204, State Retirement.

The motion passed unanimously by roll call vote.

COUNTY BUILDINGS:

The Finance Director requested approval of the following budget transfer to provide additional funding to complete the fire alarm project in the Judicial Building Annex:

From: 101-51800-717 – Maintenance Equipment -	\$6,800
To: 101-51800-707 – Building Improvements -	\$6,800

Comm. Jernigan moved, seconded by Comm. Shafer to approve the budget transfer for the County Buildings Department as requested transferring \$6,800 from Account 101-51800-717, Maintenance Equipment, to Account 101-51800-707, Building Improvements.

The motion passed unanimously by roll call vote.

LONGEVITY PAY AND RELATED BENEFITS FOR SEVERAL DEPARTMENTS:

The Finance Director requested approval of the following budget amendments to correct budgeted amounts for longevity pay and the related benefits according to the actual paid:

From County Clerk:	101-52500-186 – Longevity Pay -	\$ 50
	101-52500-201 – Social Security -	3
	101-52500-204 – State Retirement -	6
To Register of Deeds:	101-51600-186 – Longevity Pay -	\$ 50
	101-51600-201 – Social Security -	3
	101-51600-204 – State Retirement -	6
From Jail:	101-54210-186 – Longevity Pay -	\$ 25
	101-54210-201 – Social Security -	2
	101-54210-204 – State Retirement -	3
To Sheriff's Dept.:	101-54110-186 – Longevity Pay -	\$ 25
	101-54110-201 – Social Security -	2
	101-54110-204 – State Retirement -	3

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget amendments to correct the budgeted amounts for the longevity pay and related benefits amending \$50 from Account 101-52500-186, County Clerk Longevity Pay; \$3 from Account 101-52500-201, County Clerk Social Security; \$6 from Account 101-52500-204, County Clerk State Retirement; with \$50 to Account 101-51600-186, Register of Deeds Longevity Pay, \$3 to Account 101-51600-201, Register of Deeds Social Security; \$6 to Account 101-51600-204, Register of Deeds State Retirement; \$25 from Account 101-54210-186, Jail Longevity Pay; \$2 from Account 101-54210-201, Jail Social Security; \$3 from Account 101-54210-204, Jail State Retirement; with \$25 to Account 101-54110-186, Sheriff's Department Longevity Pay; \$2 to Account 101-54110-201, Sheriff's Department Social Security, and \$3 to Account 101-54110-204, Sheriff's Department State Retirement.

The motion passed unanimously by roll call vote.

SOLID WASTE/SANITATION FUND BUDGET AMENDMENTS

LANDFILL OPERATIONS AND MAINTENANCE:

The Finance Director requested approval of the following budget amendment for the Landfill to provide funding for the Communications Account explaining that due to the tornado damage some phone lines had to be moved. The revenue from the grant for the tornado damage was received in the prior year; however, the invoice from AT&T has just been received. Since the revenue was received during the prior year, it rolled to the assigned fund balance at June 30, 2010:

From: 116-34730 – Assigned for Public Health & Welfare -	\$7,000
To: 116-55754-307 – Communications -	\$7,000

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget amendment for the Landfill as requested amending \$7,000 from Account 116-34730, Assigned for Public Health & Welfare, to Account 116-55754-307, Landfill Communications.

The motion passed unanimously by roll call vote.

LONGEVITY PAY AND RELATED BENEFITS:

The Finance Director requested approval of the following budget amendment to correct the budget amounts for longevity pay and the related benefits according to the actual paid for the Solid Waste/Sanitation Fund:

From Convenience Centers:	116-55732-186 – Longevity Pay -	\$ 175
	116-55732-201 – Social Security -	11
	116-55732-204 – State Retirement -	22
	116-55732-212 – Employer Medicare -	3
To Litter Grant:	116-55720-186 – Longevity Pay -	\$ 175
	116-55720-201 – Social Security -	11
	116-55720-204 – State Retirement -	22
	116-55720-212 – Employer Medicare -	3

Comm. Jordan moved, seconded by Comm. Peay to approve the budget amendment to correct the budget amounts for the longevity pay and the related benefits in the Solid Waste/Sanitation Fund as requested transferring \$175 from Account 116-55732-186, Convenience Centers Longevity Pay to Account 116-55720-186, Litter Grant Longevity Pay; \$11 from Account 116-55732-201, Convenience Centers Social Security, to Account 116-55720-201, Litter Grant Social Security; \$22 from Account 116-55732-204, Convenience Centers State Retirement to Account 116-55720-204, Litter Grant State Retirement; \$3 from Account 116-55732-212, Convenience Centers Employer Medicare to Account 116-55720-212, Litter Grant Employer Medicare.

The motion passed unanimously by roll call vote.

RECOMMENDATION TO APPROVE ACCEPTANCE OF A GRANT CONTRACT WITH THE TENNESSEE EMERGENCY MANAGEMENT AGENCY RELATIVE TO THE MAY 2010 FLOOD:

Mr. Tim Hooker, Assistant Director Emergency Management, requested approval of a reimbursement Grant Contract with the State of Tennessee, Department of Military, Tennessee Emergency Management Agency in the amount of \$65,386.10 for expenses incurred as a result of the May 2010 flood. He advised that the grant was a matching grant with the Federal Government paying 90%, the State paying 5%, and Rutherford County paying 5%. Mr. Hooker informed the committee that it was expected that the grant would be received in incremental payments and would not be received in a lump sum. He stated that it would be received in different timeframes. He requested authorization for the County Mayor to execute the contract with the Tennessee Emergency Management in the amount of \$65,386.10 and to also accept any future amendments that might be received in as the grant process continued.

The Finance Director advised that the expenses were incurred and paid by the county in the prior year at the time of the flood cleanup. She advised that now the county was being reimbursed for the expenses already paid.

Following discussion, Comm. Sandlin moved, seconded by Comm. Jordan to authorize the County Mayor to execute the Grant Contract with the State of Tennessee, Department of Military, Tennessee Emergency Management for a Public Assistance Grant Award in the amount of \$65,386.10 regarding the May 2010 flood and to accept any future amendments that might be received relative to the May 2010 flood as the grant process continued.

The motion passed unanimously by roll call vote.

RECOMMENDATION TO CONTINUE CONTRACT WITH APPERTAIN CORPORATION, SOUTH CENTRAL TENNESSEE DEVELOPMENT DISTRICT FOR LARGE DEAD ANIMAL REMOVAL:

The Finance Director advised that \$24,752 had been paid to Appertain Corporation, South Central Tennessee Development District for dead animal removal. She explained that the contract had been approved for a six-month period. The County Mayor is requesting to enter into another six-month contract for dead animal removal at a cost of \$15,000. There is \$5,000 remaining in the account. The Finance Director requested approval of the following budget amendment to provide funding for another six-month contract with Appertain Corporation, South Central Tennessee Development District for large dead animal removal:

From:	101-39000 – Unassigned Fund Balance -	\$10,000
To:	101-55710-312 – Contracts w/Private Agencies -	\$10,000

Comm. Jordan moved, seconded by Comm. Sandlin to authorize the County Mayor to enter into a six-month contract with Appertain Corporation, South Central Tennessee Development District for the removal of large dead animals and that the budget amendment to provide additional funding for the contract be approved amending \$10,000 from Account 101-39000, Unassigned Fund Balance, to Account 101-55710-312, Contracts w/Private Agencies.

The motion passed unanimously by roll call vote.

RECOMMENDATION FROM PUBLIC WORKS COMMITTEE APPROVING A PROPOSAL FROM HUDDLESTON-STEELE ENGINEERING, INC. FOR A FEASIBILITY STUDY OF EPPS MILL ROAD:

Chairman Ealy advised that the Public Works Committee had sent forward a recommendation to approve a proposal from Huddleston-Steele Engineering, Inc. at a cost of \$4,900 for a feasibility study of Epps Mill Road.

Comm. Jernigan moved, seconded by Comm. Peay to approve the recommendation from the Public Works Committee to authorize the County Mayor to accept a proposal from Huddleston-Steele Engineering, Inc. at a cost of \$4,900 for a feasibility study of Epps Mill Road.

Comm. Jernigan advised that as the county has approved road projects for Manson Pike, Florence Road, and Halls Hill Pike, the Epps Mill Road Improvement Project would be the next road to be considered. He explained that Mayor Burgess did not know if the entire project could be funded at one time, and therefore, he was proposing to have the engineering done on a section at a time. He stated that it would probably be done in three different sections, and that the study from Huddleston-Steele would determine what the cost would be.

Comm. Jordan asked what the timeframe was for Huddleston-Steele to complete the study.

Comm. Jernigan stated that he thought the study would take approximately 60 days to complete.

Following discussion, the motion to approve the recommendation from the Public Works Committee to authorize the County Mayor to accept a proposal from Huddleston-Steele Engineering, Inc. at a cost of \$4,900 for a feasibility study of Epps Mill road passed unanimously by roll call vote.

ADJOURNMENT:

There being no further business to be presented at this time, Chairman Ealy declared the meeting adjourned at 6:15 P.M.

Elaine Short, Secretary